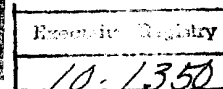
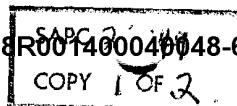


SECRET

12 February 1958

MEMORANDUM FOR: Special Assistant to the Director for Planning
and Coordination

ATTENTION:

25X1A

SUBJECT: Spares for Three Channel Reduction Equipment

REFERENCE: A. Memorandum: SAPC 22669; dated 26 December 1957.
B. Memorandum: SPM 8-502; dated 7 January 1958.

1. As a result of conversations between various people in your Project and PP Staff, it appears that there is some misunderstanding on the funds in question.

2. On 16 May 1957, the PP Staff transferred \$304,572 (FY-57 funds) to SAPC to cover five different items of required funding. One of these items was for \$29,300 for 3 channel data reduction spares. It is not understood whether this \$304,572 (hence the \$29,300) included the contractors profit of 8.25%. In accordance with Reference A it would appear that the contractor's profit of 8.25% was not included in the 16 May 1957 fund transaction but is included in Reference A. (There appears to be a mathematical error in the calculation of the contractor's profit on the new proposal, Reference A; $8\frac{1}{4}\% \times \$18,865 = \1556 . Subtracting the sum of \$18,865 and \$1556 (\$20,421) from \$29,300 leaves a balance of \$8959 due PP Staff instead of \$12,150). Please advise if the contractor's profit has been included in all of the estimates.

3. With the exception of the above, the PP Staff concurs in your proposal of 26 December 1957 for the SAPC Project Comptroller to hold the \$8959 (or \$12,150 whichever is correct) as a credit for PP Staff pending receipt of price proposals for depot spares.

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CONCUR:

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DATE: 11/1/12 REVIEWER: 064540

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